

EX PARTE OR LATE FILED

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November 4, 1994

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William F. Caton  
Acting Secretary  
Federal Communications Commission  
1919 M Street, N.W.  
Washington, D.C. 20554

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NOV 4 1994

Re: EX PARTE PRESENTATION  
CC Docket No. 92-77

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY

Dear Mr. Caton:

On Wednesday, November 2, 1994, John Summers and Roger Salee of AmeriTel Pay Phones, Inc., and I met with Mark Nadel of the Common Carrier Bureau to discuss billed party preference. AmeriTel's presentation was consistent with points raised in its comments and reply comments in the above-captioned proceeding and the attached handout.

Pursuant to Section 1.1206 of the Commission's rules, an original and one copy of this letter are being filed.

Sincerely,



Brad E. Mutschelknaus

Enclosure

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**FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY**

**SUBMISSION OF  
AMERITEL PAY PHONES, INC.**

**FCC DOCKET NO. 92-77  
November 2, 1994**

**AmeriTel Pay Phones, Inc. is an interexchange carrier who specializes in providing operator assisted long distance services to confinement facilities. AmeriTel provides sophisticated call processing equipment and services to over 420 city and county jails located in Missouri, Kansas, Idaho, Iowa, Minnesota, Nebraska, North Dakota, South Dakota, Arkansas, and Oklahoma.**

**BPP SHOULD NOT BE ADOPTED  
IN THE PRISON SUBMARKET**

**THE PRISON MARKET IS UNIQUE**

- INSTITUTIONS NEED CONTROL OVER CALLING TO MINIMIZE AND DETECT CRIME BY TELEPHONE
- INSTITUTIONS NEED CONTROL OVER CALLING TO PREVENT HARASSING CALLS TO VICTIMS, JUDGES, POLICE AND PROSECUTORS
- INSTITUTIONS NEED ACCESS TO INFORMATION ABOUT CALLING PATTERNS TO ASSIST IN ESCAPES AND EMERGENCY SITUATIONS
- ADMINISTRATORS ARE ACCOUNTABLE TO INMATE FAMILIES, ELECTED OFFICIALS AND THE PUBLIC
- PRESENT SYSTEM MOST EFFICIENT -- THE INSTITUTION RECEIVES NECESSARY EQUIPMENT AND SUPPORT FROM ONE PROVIDER WITH A CONTRACTUAL OBLIGATION TO THE INSTITUTION

**THE PERCEIVED FAILURES OF THE OPERATOR SERVICES MARKET  
ARE NOT PRESENT IN THE PRISON SUBMARKET**

- ACCESS CODE DIALING IS NOT PERMITTED; THERE IS NO NEED TO SIMPLIFY DIALING FROM A PRISON ENVIRONMENT
- PROPRIETARY CALLING CARDS DO NOT GIVE AT&T AN UNFAIR ADVANTAGE IN COMPETING FOR PRISON CONTRACTS
- ADMINISTRATORS ARE EFFECTIVELY EXERCISING THEIR ABILITY TO CONTROL RATES

**NETWORK BASED SOLUTIONS ARE INSUFFICIENT**

- INMATES WILL "CARRIER SHOP" TO EXPLOIT LEAST PROTECTED IXCS
- ANI-29 IDENTIFICATION DOES NOT PERMIT DIFFERENT TREATMENT OF INDIVIDUAL INMATES OR INDIVIDUAL INSTITUTIONS THAT MAY BE NECESSARY
- MOST INSTITUTIONS CANNOT AFFORD TO PURCHASE AND MAINTAIN CPE

**BPP OR A RATE CAP IS NOT NECESSARY  
IN THE PRISON SUB-MARKET**

Approximately 60% of AmeriTel's present traffic is covered by dominant carrier rate caps. Calls not subject to rate caps do not exceed AT&T rates by more than 25%. Company has never charged more than AT&T person-to-person surcharge.

**Prison Administrators Are Exercising Their Power to  
Control Rates**

- State correctional authorities in California, Maine, Nevada, New York, Oklahoma, Pennsylvania, South Carolina, South Dakota, and Washington stated in comments that their current contracts require rates at or below dominant carrier rates.
- Numerous local correctional facilities identified similar provisions in their contracts.
- 77% of RFPs since January 1993, as surveyed by VAC, required rates at or below dominant carrier rates; An additional 9% of RFPs were awarded to an IXC who offered such rates.

**BPP WILL RESULT IN A DECLINE  
IN TELEPHONE SERVICE TO INMATES**

**Prior to the Emergence of ICS Providers, Telephone  
Service to Inmates Was Severely Restricted**

- Many institutions limited inmate calls to 1 call per week or 1 call per 90 days. See Comments of the Arlington County (VA) Sheriff's Department; Tarrant County (TX) County Commissioner.
- Limited availability of inmate telephones, and many rural institutions provided no service at all. See Comments of the South Carolina Jail Administrators Association; American Jail Association.
- Telephone service was viewed as "a difficult and time consuming chore." Comments of San Jacinto County (TX) Jail.

**Facilities Could Not Support Existing Services Under BPP**

- State institutions' cost estimated at \$1 million per year for "basic" services, \$4.5 million or more for the existing level of services. Comments of the South Carolina Department of Corrections; Florida Department of Corrections.
- Most facilities will replace automated equipment with direct supervision of a Corrections Officer. See Comments of Monmouth County (NJ) Correctional Institution; California Department of Corrections; County of Nevada (CA) Sheriff-Coroner; American Jail Association.
- Result will be "major cutbacks in the number of phones, access to phones, and the ability to provide quality phone services to inmates." Comments of the Oklahoma Department of Corrections; Larimer County (CO) Detention Center.

**Other Inmate Rehabilitation and Education Programs Will  
Suffer As Well**

- 65-90% of Inmate Program Funds for some facilities comes from telephone commissions. Comments of Kern County (CA) Minimum Security Facility; Mendocino County (CA) Correctional Facility; Orange County (CA) Sheriff-Coroner Department.